

BUY

24 February 2026

National Agricultural Development Company

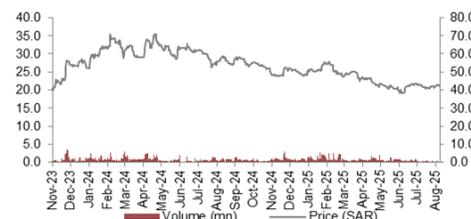
Sector : FMCG

- Revenue grew 9.5% YoY, driven by protein and agri segment and in line with our forecast.
- Higher direct costs led to a YoY decline in margins, which fell short of our expectations.
- Profit down by 49% YoY, 9% below our forecast.
- We forecast 2026 revenue of SAR 3.76bn and profit of SAR 447mn and reduce our target price to SAR 19.7 per share with a BUY rating.

Target price (SAR) 19.70

Current price (SAR) 17.39

Return 13.30%



Exchange Saudi Arabia
Index weight (%) 0.1%

(mn)	SAR	USD
Market Cap	5,246	1,398
Enterprise value	5,038	1,372

Major shareholders	
Saudi Agricultural a	39%
Vanguard Group Inc/T	2.0%
Dimensional Fund Adv	1.0%
Others	58.4%

Valuation Summary	
PER TTM (x)	13.4
P/Book (x)	1.1
EV/EBITDA (x)	7.4
Dividend Yield (%)	NA
Free Float (%)	58%
Shares O/S (mn)	302
YTD Return (%)	-5%
Beta	0.8

Key ratios	2023	2024	2025
EPS (SAR)	1.77	2.57	1.30
BVPS (SAR)	11.91	14.25	15.28
DPS (SAR)	0.00	0.00	0.00
Payout ratio (%)	0%	0%	0%

Price performance (%)	1M	3M	12M
National Agriculture Dev	-10%	-9%	-32%
Tadawul All Share Index	-1%	1%	-11%

52 week	High	Low	CTL*
Price (SAR)	26.65	17.00	2.3

* CTL is % change in CMP to 52wk low

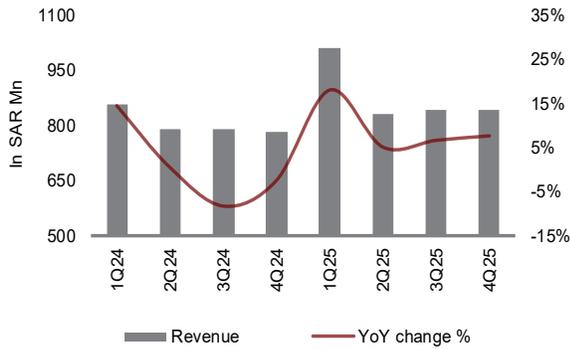
National Agricultural Development Company (NADEC) reported 2025 revenue of SAR 3.53bn, up 9.5% YoY and broadly in line with our estimate. In 4Q25, revenue grew 7.6% YoY to SAR 841mn. Full year growth was driven by stronger sales in the agriculture and protein segments, partially offset by muted performance in the dairy and food segment. The protein segment, accounting 8.5% of revenue, rose 66.5% YoY in 2025, supported by value-added beef products from the slaughterhouses. Agricultural revenue more than doubled YoY driven by higher sales volume following the delivery of 65k tons of wheat in 2H25 coupled with improved pricing. In contrast, the dairy and food segment, which represents 87% of revenue, grew a modest 1.5% YoY, reflecting weaker fresh-milk demand and a shift toward lower-priced processed milk.

Gross margin in 2025 contracted 350bps YoY to 33.5% as direct costs rose 15.7% YoY, outpacing revenue growth, mainly due to changes in product mix and higher production costs. Net operating expenses remained broadly flat during the year supported by stable general and administrative expenses and higher other income. However, due to the weaker gross margin, EBIT and EBITDA margins declined by 140bps and 40bps YoY to 10.7% and 19.3% respectively. Treasury income grew 11% YoY on higher deposit rates, while joint ventures posted a SAR 5mn loss versus a SAR 24mn profit in 2024. Finance costs rose 6% YoY in 2025, primarily due to higher lease-related interest expenses. Notably, NADEC reported a one-off gain of SAR 357mn in 2024, related to its investment in Arabian Mills. As a result of the high base, net income declined 49% YoY to SAR 393mn. Adjusting for the one-off gain in 2024, profit declined 6% YoY in 2025. Net profit came in 9% below our forecast and margins were short of expectations. In 4Q25, profit fell 86% YoY to SAR 64mn.

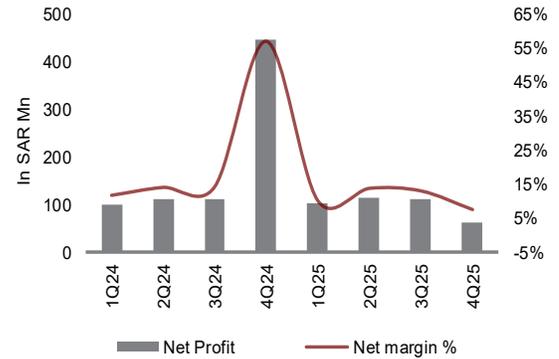
Valuation and outlook: NADEC remains focused on expanding its presence through investments in advanced infrastructure and modern technological solutions. The new red meat slaughterhouse in Haradh is expected to supply primal cuts and case-ready meat products to the KSA market by 2Q26. In Hail, a 25-hectare blueberry project utilizing fully automated smart hydroponic technology is expected to commence planting in 2Q26. Additionally, a 10-hectare strawberry project in Hail is currently under construction. Based on current results we forecast 2026e revenue of SAR 3.76bn and net profit of SAR 447mn. While revenue aligned with projections, profit and margins fell short. Accordingly, we lower our target price to SAR 19.7/share from SAR 21.3/share, implying a 13.3% upside from current levels and retain our BUY rating. The stock is currently trading at 11.7x its 2026e EPS.



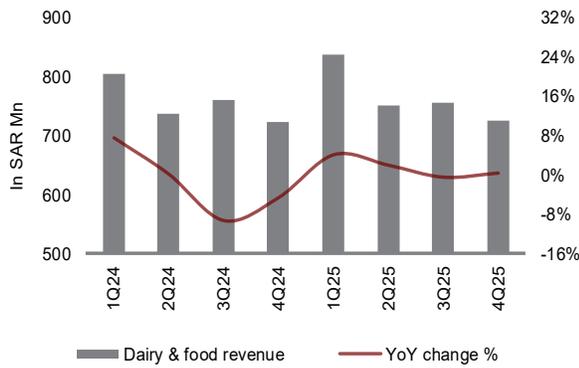
Revenue driven by growth in agri & protein segments



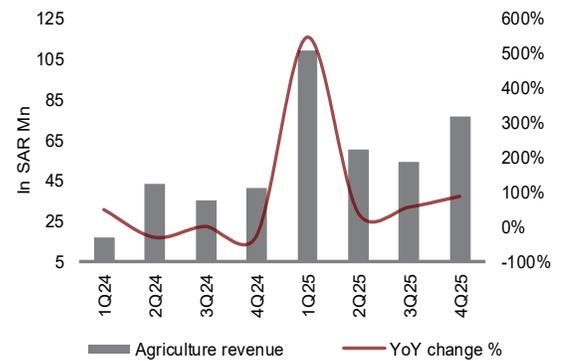
Net margin decline on higher one-off gain in 2024



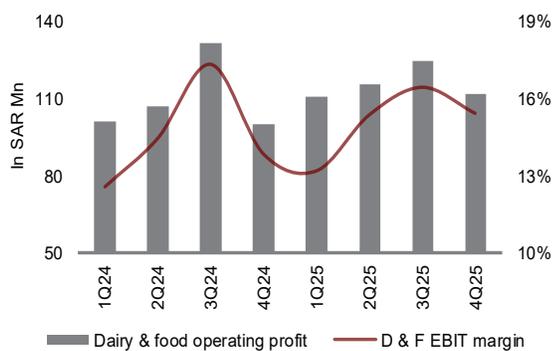
Dairy & Food growth remains subdued



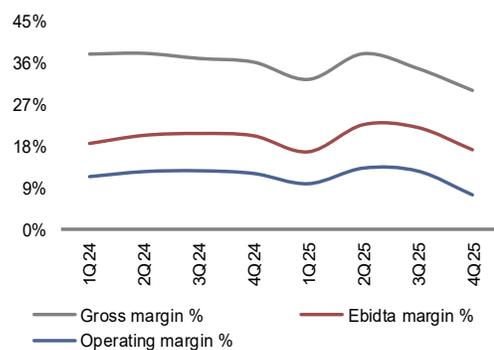
Agriculture revenue spikes on strong volumes



Dairy and food margins recover marginally in 4Q25



Cost pressures drive gross margin decline





Income statement (in SAR Mn)	2023	2024	2025	2026e	2027e	2028e	2029e
Revenue	3,197	3,220	3,527	3,757	4,008	4,282	4,582
Direct Costs	-2,013	-2,028	-2,346	-2,442	-2,605	-2,783	-2,979
Gross Profit	1,184	1,192	1,181	1,315	1,403	1,499	1,604
Selling and marketing expenses	-560	-532	-576	-620	-661	-728	-779
General and administrative expenses	-213	-235	-233	-244	-260	-300	-321
Impairment losses on trade receivables	-49	3	-8	-8	-8	-9	-9
Provisions on receivables/other	-73	-4	-8	-8	-8	-9	-9
Other Income / (expenses) - net	6	-32	13	19	20	21	23
EBIT	345	389	377	462	493	484	518
EBITDA	572	637	682	789	845	860	594
Share of results of joint venture	22	24	-5	5	5	10	5
Finance costs	-76	-34	-36	-46	-49	-53	-56
PBT	290	827	437	491	519	531	557
Zakat	-14	-53	-47	-44	-47	-48	-50
Net Profit	302	775	393	447	472	483	506
Balance Sheet (in SAR Mn)	2023	2024	2025	2026e	2027e	2028e	2029e
Property, plant and equipment	1,761	1,774	1,977	2,112	2,259	2,416	2,587
Right-of-use assets	58	46	281	345	404	461	515
Biological assets	728	696	679	679	679	679	679
Intangible assets	24	27	23	23	23	23	23
Investment in joint venture	116	3	125	125	125	125	125
Equity investment at FVOCI	9	273	212	212	212	212	212
Prepayments	-	11	102	102	102	102	102
Other non current assets	149	313	462	462	462	462	462
Total non-current assets	2,695	2,829	3,399	3,599	3,804	4,018	4,243
Current inventories	560	662	638	684	729	779	834
Trade and other current receivables	464	379	318	376	401	428	458
Cash and bank balances	835	1,365	1,080	1,265	1,370	1,472	1,567
Prepayments	-	90	145	145	145	145	145
Biological assets	28	85	103	103	103	103	103
Other current assets	57	175	248	248	248	248	248
Total current assets	2,415	2,881	2,935	3,223	3,399	3,578	3,758
TOTAL ASSETS	5,110	5,710	6,334	6,822	7,203	7,596	8,001
Share capital	3,016	3,016	3,016	3,016	3,016	3,016	3,016
Other reserve	39	-30	-90	-90	-90	-90	-90
Reserves	233	164	-90	-90	-90	-90	-90
Retained earnings	344	1,116	1,704	2,151	2,399	2,646	2,911
Total Equity attributable to shareholders	3,593	4,297	4,608	5,055	5,304	5,551	5,816
Total equity	3,593	4,297	4,608	5,055	5,304	5,551	5,816
Murabaha loans and borrowings	98	2	47	47	47	47	47
Lease liabilities	35	26	222	258	311	362	412
Employee benefit obligation	148	131	122	122	130	150	160
Total non-current liabilities	284	162	471	508	569	639	700
Trade and other current payables	775	830	772	733	781	835	894
Murabaha loans and borrowings - short term	228	205	194	236	236	236	236
Murabaha loans and borrowings	279	206	236	236	236	236	236
Lease liabilities	18	13	67	111	133	155	177
Provision for Zakat	46	87	61	61	61	61	61
Other current liabilities	78	119	93	93	93	93	93
Total current liabilities	1,232	1,251	1,254	1,259	1,330	1,406	1,486
Total liabilities	1,517	1,413	1,726	1,766	1,899	2,045	2,185
Total equity and liabilities	5,110	5,710	6,334	6,822	7,203	7,596	8,001
Cash Flow (in SAR Mn)	2023	2024	2025	2026e	2027e	2028e	2029e
Cash from operations	655	763	755	704	882	921	975
Investing cash flow	-757	-21	-1,022	-301	-321	-343	-367
Financing cash flow	825	-212	-18	-218	-456	-477	-513
Change in cash	722	531	-285	185	105	102	95
Beginning cash	113	835	1,365	1,080	1,265	1,370	1,472
Ending cash	835	1,365	1,080	1,265	1,370	1,472	1,567



Ratio Analysis	2023	2024	2025	2026e	2027e	2028e	2029e
Per Share							
EPS (SAR)	1.0	2.6	1.3	1.5	1.6	1.6	1.7
BVPS (SAR)	11.9	14.2	15.3	16.8	17.6	18.4	19.3
DPS (SAR)	-	-	-	0.7	0.8	0.8	0.8
FCF per share (SAR)	-0.3	2.5	-0.9	1.3	1.9	1.9	2.0
Valuation							
Market Cap (SAR Mn)	8,401	7,444	5,547	5,246	5,246	5,246	5,246
EV (SAR Mn)	7,995	6,326	5,038	4,631	4,602	4,573	4,549
EBITDA	572	637	682	789	845	860	594
P/E (x)	27.8	9.6	14.1	11.7	11.1	10.9	10.4
EV/EBITDA (x)	14.0	9.9	7.4	5.9	5.4	5.3	7.7
Price/Book (x)	2.3	1.7	1.2	1.0	1.0	0.9	0.9
Dividend Yield (%)	0.0%	0.0%	0.0%	4.3%	4.5%	4.6%	4.8%
Price to sales (x)	2.6	2.3	1.6	1.4	1.3	1.2	1.1
EV to sales (x)	2.5	2.0	1.4	1.2	1.1	1.1	1.0
Liquidity							
Cash Ratio (x)	0.7	1.1	0.9	1.0	1.0	1.0	1.1
Current Ratio (x)	2.0	2.3	2.3	2.6	2.6	2.5	2.5
Quick Ratio (x)	1.5	1.8	1.8	2.0	2.0	2.0	2.0
Returns Ratio							
ROA (%)	5.9%	13.6%	6.2%	6.6%	6.6%	6.4%	6.3%
ROE (%)	8.4%	18.0%	8.5%	8.8%	8.9%	8.7%	8.7%
ROCE (%)	7.8%	17.4%	7.7%	8.0%	8.0%	7.8%	7.8%
Cash Cycle							
Inventory turnover (x)	3.6	3.1	3.7	3.6	3.6	3.6	3.6
Accounts Payable turnover (x)	2.6	2.4	3.0	3.3	3.3	3.3	3.3
Receivables turnover (x)	6.9	8.5	11.1	10.0	10.0	10.0	10.0
Inventory days	101	119	99	102	102	102	102
Payable Days	140	149	120	110	110	110	110
Receivables days	53	43	33	37	37	37	37
Cash Cycle	14	13	12	29	29	29	29
Profitability Ratio							
Net Margins (%)	9.4%	24.1%	11.2%	11.9%	11.8%	11.3%	11.1%
EBITDA Margins (%)	17.9%	19.8%	19.3%	21.0%	21.1%	20.1%	13.0%
PBT Margins (%)	9.1%	25.7%	12.4%	13.1%	12.9%	12.4%	12.1%
EBIT Margins (%)	10.8%	12.1%	10.7%	12.3%	12.3%	11.3%	11.3%
Effective Tax Rate (%)	4.9%	6.3%	10.8%	9.0%	9.0%	9.0%	9.0%
Leverage							
Total Debt (SAR Mn)	429	247	571	651	727	800	871
Net Debt (SAR Mn)	-406	-1,119	-509	-614	-643	-672	-696
Debt/Equity (x)	0.1	0.1	0.1	0.1	0.14	0.14	0.15
Net Debt/Equity (x)	-0.1	-0.3	-0.1	-0.1	-0.1	-0.1	-0.1

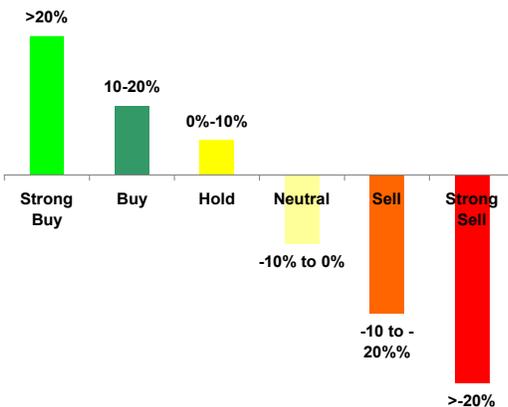
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Rating Criteria and Definitions

Rating



Rating Definitions

Strong Buy	This recommendation is used for stocks whose current market price offers a deep discount to our 12-Month target price and has an upside potential in excess of 20%
Buy	This recommendation is used for stocks whose current market price offers a discount to our 12-Month target price and has an upside potential between 10% to 20%
Hold	This recommendation is used for stocks whose current market price offers a discount to our 12-Month target price and has an upside potential between 0% to 10%
Neutral	This recommendation is used for stocks whose current market price offers a premium to our 12-Month target price and has a downside side potential between 0% to -10%
Sell	This recommendation is used for stocks whose current market price offers a premium to our 12-Month target price and has a downside side potential between -10% to -20%
Strong Sell	This recommendation is used for stocks whose current market price offers a premium to our 12-Month target price and has a downside side potential in excess of 20%
Not rated	This recommendation used for stocks which does not form part of Coverage Universe

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